



Concept note

The dynamics of women's work: routes to economic and social empowerment

Prepared by Ashwini Deshpande, Maria C. Lo Bue, Janneke Pieters, and Kunal Sen

Background

Recent progress in narrowing gender gaps in education, health, and political representation has not been matched by similar improvements in labour market outcomes for women, or more broadly, women's economic empowerment. Global data shows that there has been no increase in the female labour force participation rate (LFPR) and no decrease in the wage and LFPR gap between men and women. Women typically occupy the worst-paid jobs with the least protection, and attitudes toward gender often hinder access to better opportunities.

Women's work differs from men's as women are more likely to be unpaid for their work in family enterprises, and women are primarily responsible for household and caring tasks. Such combined responsibilities to contribute to their family enterprises, earn income in typically low-paid jobs, and care for the household can negatively affect women's physical and mental wellbeing.

For women to be economically and socially empowered, it is necessary to increase both the quantity and quality of jobs for women, and address gender barriers in accessing job opportunities and segregation in labour markets. Furthermore, the achievement of gender equality in labour market outcomes critically depends on the adoption of policies that address the 'double burden' that low-income women in particular face — earning income for the family as well as caring for other household members.

The dynamics of women's work: a conceptual framework

A well-known stylized fact in the literature on the nature and the evolution of the relationship between female labour force participation and socioeconomic development is the so-called 'feminization U hypothesis'. This hypothesis — that was first postulated by Sinha (1967) and later modeled and tested by Goldin (1990, 1995: 61-90) — states that female labour force participation (FLFP) first declines and then rises with the development process.

In the initial stage, the prominence of a large informal agricultural sector allows many women to participate in the labour force. As countries move along the traditional pathway of structural transformation and become more industrialized, female employment decreases. At this stage, more jobs become available. At the same time, rising levels of income and of education contribute to rising wages. However, in this intermediate stage education levels tend to increase more slowly for women than for men. As men's earnings rise faster, within the household an income effect tends to dominate, implying a reduction in women's incentives to work (Klasen and Pieters 2015). Moreover, the lack of opportunities (and of societal consent) to outsource childcare inside or outside the household represents a further constraint on the expansion of females' employment. Only at a more advanced stage of development, with more jobs becoming available in the service sector, lower fertility, more women with secondary and tertiary education and more opportunities available to combine childcare and employment, FLFP rises again.

This feminization U hypothesis, however, has not been supported by robust empirical evidence,¹ and certainly cannot explain why we observe falling FLFP rates in countries like India or Indonesia that experienced sharp reductions in fertility rates and massive expansion of secondary- and tertiary-level education. Neither can it explain why FLFP is declining in other countries that should also be in the ascending portion of the U, as in many Central Asia and Eastern Europe countries that have historically featured low gender gaps in education.

Clearly this hypothesis stresses structural change as the key driving factor of women's labour force participation. Nevertheless, changes in FLFP, their interactions with women's education, and the evolution of this relationship over time seem to be influenced by an array of demand- and supply-side factors that go well beyond the underlying mechanisms brought by structural transformation.

Indeed, as extensively argued by Klasen (2018), if one examines and summarizes the key findings from the existing empirical literature on the drivers of changes in FLFP, some clear mechanisms seem to emerge.

First, supply-side factors are important, but there is wide variation (even across countries at similar income levels) in women's labour supply responses to changes in education, fertility, and household income.

The relationship between female education and labour force participation seems indeed to vary substantially across countries and over time. In some Latin American and East Asian countries, we observe a uniform increase of FLFP together with rising levels of education. Other countries such as India and Indonesia, have been featured by a U-shaped relationship. However, this non-linearity has become weaker over time (Klasen et al. 2019).

In addition to the above, despite the progress in closing gender gaps in secondary and tertiary education, the strength and the evolution of the household's income effect (which, according to the Goldin's hypothesis is likely to dominate in the second stage of development) varies substantially across similar lower-middle-income countries (Klasen 2018).

Moreover, the alleged negative relation between fertility and FLFP has found weak empirical support in many developing countries. It has been shown that in countries like India, Bangladesh and Jordan women's decisions to exit or not enter the labour market are set at marriage and there is no additional effect of having a child. As suggested by Basu and Desai (2016) this weak relationship might be explained by the emergence of an 'aspirational revolution' causing mothers to simply invest more in child quality. In the context of Indonesia's fertility decline, it seems to have resulted — especially in poor, rural households — in a reduction of the direct child cost and so in women's need to work to sustain that cost (Pribe forthcoming).

Second, the impact of education, household income, and fertility is influenced by within-household bargaining processes and social norms, as well as by the type and number of employment opportunities. These three factors, their interaction, their evolution over time and their response to female empowerment are important aspects to be considered in the study of the dynamics in women's work.

A reversal in women's empowerment has taken place, for example, in many middle-income countries. Women's participation in the labour market, their higher relative earnings, their increased assertiveness to fulfil their preferences may threaten masculinity and husbands' socially prescribed role as a breadwinner (Luke and Munshi 2011; Guarneri and Rainer 2018).

The strength of social barriers against working women and against some forms of female employment varies extensively across countries. While we lack conclusive evidence, previous studies suggest that a lack of 'appropriate' job opportunities may particularly restrict FLFP for women with secondary and above education levels (Borrowman and Klasen 2017; Klasen et al. 2019). Women tend to be largely concentrated and over-represented in white-collar jobs, which appear as the only socially acceptable opportunities for women with secondary and tertiary education. As argued by Klasen (2018), if the expansion of the typical white-collar sector jobs (namely public sector services jobs such as nurses, teachers, etc.) is limited and intrinsically related to demographic factors, the limited offer of these 'appropriate' jobs is one important element that shapes women's transition from education to paid work or to marriage and care work.

Moreover, the traditional dichotomy between paid jobs and care work may not appropriately reflect the true range of work activities where women are engaged. In some contexts, such as South Asia,

¹ See Gaddis and Klasen (2014) and Klasen (2018) for an in-depth review of the literature.

the low presence of women in paid work does not imply that they are exclusively involved in care or reproductive work. They would be engaged in a range of unpaid economic activities, such as working on family farms, rearing livestock and so forth. Thus, in some parts of the world, the binary between paid work and care work breaks down to reveal a third element: unpaid economic work, either near or at home.

Lastly, when analysing women's transition from education to work and/or to marriage a key aspect to consider is related to the returns to women's education, to the value that societies give to it, and if and how this evolves over time. It has been shown, indeed, that returns to women's education in the marriage market can play an important role in shaping female transitions into and out the labour market (Ashraf et al. forthcoming; Klasen and Pieters 2015; Afridi et al. 2018). Moreover, as the perpetuation of strong male–female differences at school in the choice of natural versus social sciences subjects suggests, female education has for a long time been considered as 'an end in itself' (Klasen forthcoming) and not so much as something instrumental to women's participation into the labor market.

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